Author's version of: Kohnert, D. (2018): Britain and Africa: heading for the Brexit rocks. Africa Spectrum, *Africa Spectrum*, vol. 53., No. 2, 119-130

Britain & Africa: heading for the Brexit rocks

Dirk Kohnert [1]

Brexit - The Unsinkable Britannic
Credit: *Zapiro*, 2016 [2]

Abstract: High-flying illusions on the part of the proponents and grim predictions of the sceptics characterize the controversy about Brexit. The article analyses five issues at stake for the Post-Brexit relationships between Britain, the EU, and Africa with a focus on those Sub-Saharan African countries that belong to the Commonwealth: market access, Foreign Direct Investment (FDI), aid, security, and partnership. The British government's vision of a 'Global Britain' relies heavily on a reinforced co-operation with Commonwealth nations. However, most likely this would be possible only at the expense of the poor in Africa and elsewhere. Concerning security cooperation with Africa, London apparently exaggerated its defence input in order to enhance its bargaining position with the EU. It will be crucial for both the EU and the UK to find post-Brexit agreements to stem irregular migration and the growth of jihadist groups and terrorism. In a nutshell, the analysis of these different policy fields shows that expectations of Brexiteers and African politicians alike concerning an enhanced, partner-like Post-Brexit Commonwealth relationship are largely unfounded.

Keywords: UK, Brexit, EU, Africa, international trade, tariffs, aid, security, partnership
Jel Code: F13, F2, F35, F54, F63, G15, G2, H26, N17, N47, N77, O17, P16, Z13

[1] Associated expert at the Institute of African Affairs, GIGA-German Inst. of Global and Area Studies, Hamburg. – The subtitle refers to a remark of an Italian Member of Parliament, echoing the thoughts of many in the European Commission: "It does the UK no credit and no service in the wider world. I fear the British government is heading towards the Brexit rocks." (Boffey, 2017a). **Up-dated version**: 9 April 2019

[2] ZANEWS, June 20, 2016. Jonathan Shapiro, pen name *Zapiro*, is a distinguished South African cartoonist.

Introduction: Brexit - an African perspective

The controversial discussion on the potential impact of the Brexit, i.e. the impending withdrawal of the United Kingdom (UK) from the European Union (EU, Map 3, Appendix), by the end of March 2019 on Africa is characterized by high-flying illusions on the part of the proponents and grim predictions of the sceptics. Two years ago, shortly after the Brexit vote of June 2016, Ansorg & Haastrup (2016) published an aptly overview on major issues at stake for Africa, complemented by an in-depth study on the impact of Brexit on African Commonwealth states in October (Langan, 2016). In the meantime, additional studies completed and up-dated this picture, including a comprehensive recent *ECDPM*-publication with contributions of several experts in their fields of study (Bilal & Woolfrey, 2018). The following analysis summarizes and re-assesses these studies in the light of new developments. Nevertheless, the consequences of the Brexit vote will still take many years to be fully understood (Gamble, 2018). In view of the still highly controversial Brexit policy and the fact that neither a hard 'no-deal' Brexit nor a second referendum can be ruled out (Bellamy, 2018; Kettle, 2018), some of the conclusions presented in the following necessarily remain highly speculative.

Of course, the suspense brought by the Brexit vote was mirrored prominently in Africa as well, notably by the African business community. We would be well advised to heed the following advice of Sangu Delle, an influential Ghanaian entrepreneur and pan-African - investor[3]. Delle, who is representative of lots of others, cautioned that the Brexit vote was a warning to us all. According to him, it wasn't all about racism, reviving nationalism and 'splendid isolation': *"A substantial segment of UK citizens feel disenfranchised - that they are not stakeholders in the new economic order. As we go about creating new African economies, we have to make sure that the economic systems we put in place don't just create economic growth, but create shared economic prosperity*." (Eng&Delle, 2018). Quite a lot of politicians and businessmen from African Commonwealth countries see the UK as a big supporter of Africa. Without it in the EU, that support might dissipate. According to Delle, the UK has pushed for a lot of pro-Africa initiatives in the G8 and the EU. "*It was instrumental in supporting development aid being allocated to Africa, and when the UK held the presidency of the G8, we saw debt cancellation and a lot of pro-Africa programs*." A more inward-looking EU might not support Africa in the same way. This could be detrimental to the continent at large (Eng&Delle, 2018).

Thibault, S. (2018) After Brexit [4]

[3] Delle is a member of the progressive TEDFellows program, a global network of interdisciplinary visionaries in their fields.

[4] Illustration - Credit: Sébastien Thibault, Eng & Delle, 2018, TED Fellows.

Brexit: principal issues at stake for Africa in detail

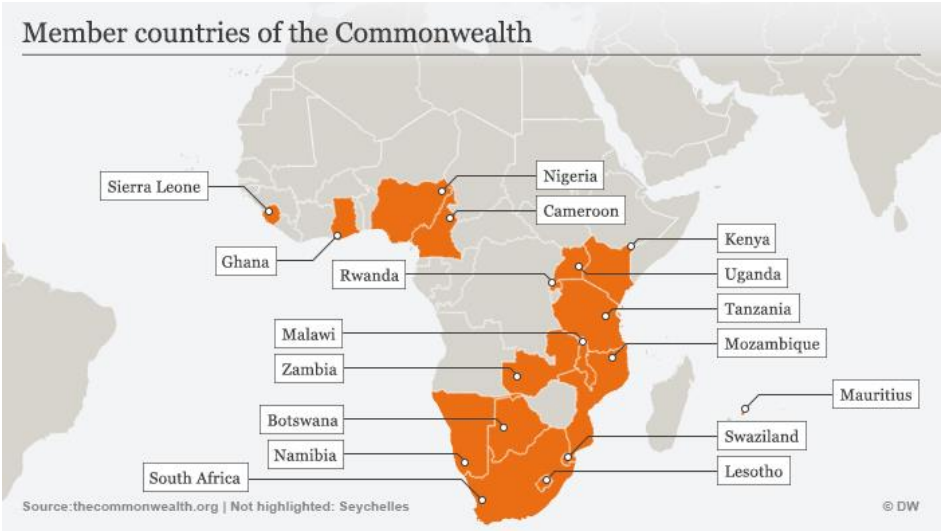
Different perspectives on the impact of Brexit on Africa are indicative of the international scholarly discussion too. Nicholas Westcott, director of the Royal African Society, for example, holds that 'for Africa and other developing countries, Brexit is a golden opportunity to secure better access, greater protection, and more aid from Britain' (Westcottt, 2018), although he admits that there are challenges. Mark Langan (2018) on the other hand, considers that Brexit, on balance, offers fewer opportunities for Commonwealth African nations' trade position vis-à-vis European partners while opening up many potential hazards.

In short, Brexit could bring increased ambiguity, resilience, but also new opportunities and investments for Africa. But what are exactly the issues at stake for Africa?

1. The African Commonwealth network

Altogether, 19 out of 54 African states belong to the Commonwealth of Nations (comprising 53 member countries worldwide), including the by far most populous and powerful states, Nigeria and South Africa. English is an official language in all these countries, except Mozambique, where Portuguese is the community language. In Cameroon and Rwanda, both English and French are official languages. Formally, all members have an equal say – regardless of size or economic stature - in order to ensure that even the smallest member countries have a voice in shaping the Commonwealth. (Commonwealth Network, 2018). However, although debates in Britain suggest that the government intends to focus on co-operation with Commonwealth nations in the future, commerce with these nations represented up to now only 9% of UK foreign trade (Henköl, 2017; Stone, 2017). With Brexit London wants to increase this share substantially, particularly by liberalizing the markets in reducing tariffs and non-tariff barriers to trade.

Map 1: African member countries of the Commonwealth [5]



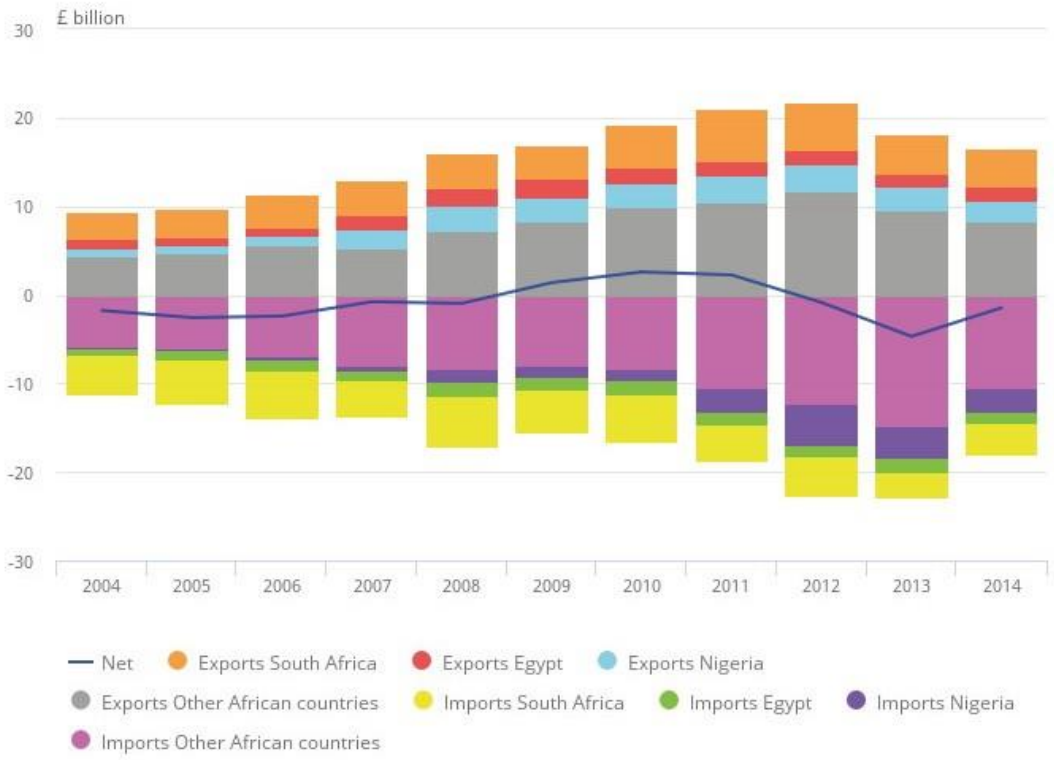
Source: Gutteridge, 2016; Commonwealth Network, 2018

[5] Gambia (West Africa, re-joined in 2018) and Seychelles, are not highlighted in the map; Zimbabwe withdraw in 2003.

2. *Better access to markets for Africa ?*

For most African Commonwealth countries Britain has been by far the biggest market for their exports (see Figure 1). Liberalized Post-Brexit trade policy should enhance the sales prospects for African markets even more. Even though with Brexit, Britains' share in the EU market would have to be omitted, the EU would still absorb a significant share of the goods those countries sell. The principal trade and development arrangement between the EU and its former African colonies, the Cotonou agreement, in force since 2000, will expire on February 29, 2020, i.e. about one year after Brexit. Negotiations on a future – and hopefully more fair EU-Africa partnership, including African Commonwealth countries, will start by August 2018[6].

***Figure 1**: UK trade with Africa broken down by country (£ billion), 2004 to 2014*



Source: Ansorg & Haastrup, 2016; Hardie, 2016; Office for National Statistics (UK).
Notes: For the purpose of the chart imports shown with a negative sign

Within the framework of the Cotonou agreement, trade relations between Africa and the EU are regulated by controversial regional Economic Partnership Agreements (EPAs) imposed on many African countries by the EU in the past decade (Kohnert, 2015, for the West Africa EPA). Possibly, a majority of governments of Anglophone states shall try to re-negotiate or even to pull out of disputed trade agreements with the EU following the Brexit vote.

[6] In July 2018, the African Union (AU) appointed Carlos Lopes, an internationally renowned economist from Guinea-Bissau and former Executive Secretary of the United Nations Economic Commission for Africa (ECA), as the high representative for the post-2020 negotiations with the European Union. The appointment, ratified by the Heads of State AU-summit in Nouakchott, formally opened the doors for engagements with the EU on a continental economic partnership agreement (EPA) (Olingo, 2018).

Tanzania, for example, already discarded a proposed deal between Brussels and the East African Community (ECA) countries, citing the "turmoil" engulfing the EU following the Brexit vote and the skewed terms of the agreement. The government in Dar-es-Salaam indicated in February 2017 that it won't sign the ECA-EPA until it has done an in-depth analysis taking into account the prevailing circumstances, particularly with regard to issues such as Brexit (Gutteridge, 2016). This the more so, as the EPAs would hurt nascent Tanzanian industries. The same holds for Nigeria, the biggest African country, that up to now refused to sign the West-African EPA because it wants to protect its indigenous markets and infant industries (Kohnert, 2015). London boasts of protecting nascent African industries with its Post-Brexit policy in contrast to the EU Economic Partnership Agreements (EPAs) (RAS-APPG 2017).

In short, as of October 2016, only 12 African countries had implemented an EPA, and 12 others had no EPA at all [7]. In case of a hard or 'no-deal' Brexit, all African countries will have no longer preferential access to the UK if London does not succeed to negotiate new bilateral agreements with African governments before Brexit. This, however, is unlikely, as the previous lengthy negotiation processes indicate that renegotiation will be a contentious undertaking. This the more so, as African governments have a long experience in see-saw policies since the time of the cold war. They are likely to use contradictions between Post-Brexit UK and the EU to their advantage. For the rest, the exclusion from preferential access to the UK holds not just for the EPAs, but also for the EU free trade agreement (FTA) and the EU general system of preferences (GSP), including the duty-free quota-free market access under the Everything-But-Arms (EBA) initiative. Major adverse consequences are predicted for countries like South Africa, Nigeria, Egypt, Kenya and Mauritius, for which the UK accounts for about 25% -30% of their exports to the EU, notably in an event of recession in the UK as consequence of Brexit (Bilal, 2016; Ansorg & Haastrup, 2016).

In short, immediately after Brexit, the UK will cease to have any special trade agreement with Africa, although London has pledged that it will maintain quota-free, duty-free access for all least developed countries (LDCs) to the UK market under the Everything but Arms (EBA) agreement (Westcott, 2018). However, London will have to get its priorities right in concentrating its negotiations first on the biggest Commonwealth players like Canada, Australia and South Africa. For the rest, Britain will probably be more selective, trying to focus on bilateral deals, preferentially with those African countries that are most important to its own economy (Bilal, 2016). Moreover, within the remaining EU, the African Commonwealth countries will lose the UK as intermediary and advocate. This could result in a stronger Francophone and Lusophone bias of the EU's Africa trade relations at the expense of the African Commonwealth (Bishop & Clegg, 2018: 5). The EU, on the other hand, is unlikely to re-negotiate EPAs in near future in order to adapt it to Brexit. Last, but not least, it is doubtful whether the UK on its own could compete better with other trade interests in the global run for Africa's resources such as China, India, than within the EU partnership.

3. *More foreign direct investment at the expense of the African poor?*

On occasion of the G20 summit in Hamburg in July 2017, British Prime Minister Theresa May announced sweeping Post-Brexit programs to reduce the reliance of African countries on aid. London envisaged increasing Africa's long-term prosperity by combined trade enhancing

[7] EU-ACP EPAs. Bilaterals.org., 2018

programs like 'aid for trade' (OECD, 2017), financial instruments (see chapt. 4), and the promotion of foreign direct investment (FDI) in Africa.

The amount of UK investment in Africa, which already more than doubled between 2005 and 2014 from £20.8 billion to £42.5 billion, was meant to be reinforced by Brexit. South Africa will remain the largest recipient of UK foreign direct investment (FDI). It accounted already for 29.8% of total UK (outward) FDI in Africa in 2014 (Hardie, 2016; see Figure 2). This was notably larger than the stock of FDI held by African investors in the UK (inward FDI), which stood at £3.0 billion in 2014. Industry, mining, and financial services were the main industrial groupings receiving British FDI, accounting for 54.4% and 34.3% of total UK FDI into Africa in 2014, respectively (Hardie, 2016).

Figure 2: UK foreign direct investment positions with Africa (£ billion), 2005 to 2014

Source: Hardie, 2016; Office for National Statistics (UK)

One of the most prominent instruments to increase FDI within the Post-Brexit policy of the British government is the G 20 initiative 'Compact with Africa'(CwA), although the CwA is a multinational initiative, not directly related to Brexit. It is coordinated by the German Federal Ministry of Finance[8], but endorsed by the United Kingdom, the International Monetary Fund, the World Bank, and the African Development Bank (Campbell, 2017). The CwA initiative is demand-driven and open to all African countries. Since its launch in 2017, 11 African countries have joined: Benin, Côte d'Ivoire, Egypt, Ethiopia, Ghana, Guinea, Morocco, Rwanda, Senegal, Togo and Tunisia. (CwA, 2018). Unfortunately, the CwA is biased and omits important issues crucial for sustainable development in Africa (Lay, 2017). First, the CwA neglects investment in education, crucial for balanced and inclusive African growth. Second, it fails to discuss the G20's responsibility in creating an unfavourable trade and investment policy environment that harms investment in Africa. Third, it does not address the social and environmental risks associated with private investment. Fourth, it disregards a comprehensive development agenda, as implied by the 2030 UN Agenda for Sustainable Development (Lay, 2017). Moreover, the CwA makes important ideological presumptions

[8] Together with other Africa initiatives of the German Government, such as the 'Marshall Plan with Africa' of the Ministry for Economic Development and Co-operation (BMZ), a proposal to rewrite Germany's aid relationship with Africa, with a focus on support for start-ups and small and medium-sized enterprises, vocational training and renewable energies.

which in actual fact work predominantly against the interest of the African poor, as criticized in detail by a *tralac*-report (Reisen, 2017).

In short, even if the CwA should attract substantial net investment in Africa, it would still be another instrument to increase the profitability of private investment and to socialize potential losses at the cost of the taxpayer, to the detriment of the poor in Africa and elsewhere.

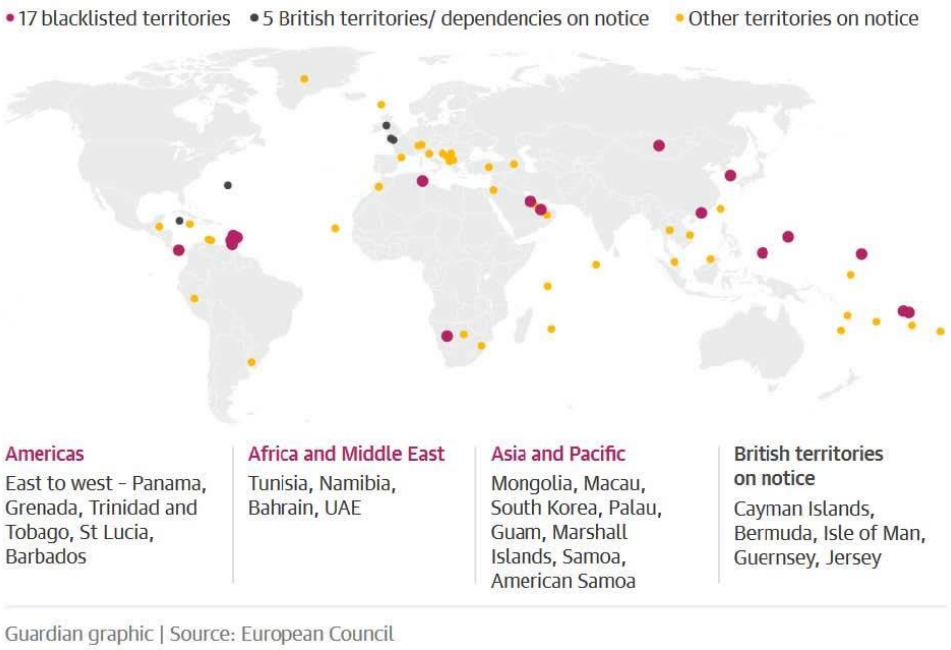
Last, but not least, UK investment in Africa, just as the distribution of Britain's mineral wealth on the continent, is restricted to a very small elite in the UK and Africa, similar to its infamous francophone pendant, the '*Messieurs Afrique*' (Kohnert; 2005). British companies control large areas of African land enclosing key mineral reserves including gold, copper, platinum, coal, and diamonds (Ansorg & Haastrup, 2016; Kabemba 2014). About 100 companies listed on the London Stock Exchange (LSE) - most of them British - have mining operations in 37 sub-Saharan African countries. They collectively control over US $1 trillion worth of Africa's most valuable resources (Curtis 2016). British companies could be inclined to negotiate in the future independently of perceived or real EU ethical restrictions which would allow these inequalities to aggravate even more (Ansorg & Haastrup, 2016: 3). The ever-increasing use of tax havens by wealthy British citizens (see below and Fig. 3, Appendix) might be taken as an indicator of such unrestricted ethics.

Complementary to increased FDI, Prime Minister Theresa May announced on the G20 summit in Hamburg in July 2017, that her Post-Brexit government shall boost the integration of African countries into global financial markets. Among others, she promised to contribute £60-million for the construction of a strong and transparent African financial market (UK-Gov 2017). According to its rather elusive announcement, Theresa May wanted to stimulate financial innovations, to enhance the autonomy of the African banking sector, and to allocate finance to where it is most needed.

Apart from restoring the role of private financing within the framework of British economic development strategy as a '*hallmark of building Global Britain*' (DFID, 2017), London wanted to use the unique role of the British state for the expansion of financial markets (Price, 2018a). Thus, Theresa May offered her African peers a strong partnership with the City of London in order to make the City the financial hub for Africa, among others, by channelling private capital to former colonies in Africa and elsewhere. This understandably not without securing returns on that investment in creating 'value for money' by means of Development Finance Institutions (DFIs) such as London's private equity arm, the Commonwealth Development Corporation (CDC) (Campell, 2017; Langan, 2016; Price, 2018a). In plain language that would mean blanket subsidisation of private investment in Africa by the British taxpayer. Apart from such a doubtful policy, civil society organisations (CSOs) in Europe and elsewhere denounced exploitative working conditions in African countries such as Zambia and Kenya, financed by these DFIs. This apparently included also the use of tax havens to avoid paying full revenues to host countries or for money laundering (see below). Also, newly founded 'development schemes', created to support British agribusiness interests (e.g. of Unilever, Diageo, SABMiller and Syngenta; Langan, 2016:484), are not necessarily contributing to inclusive growth as pretended. The same applies to the fulsome support of the British Government for the New Alliance for Food Security and Nutrition (NAFSN), utilised to channel FDI into African Commonwealth countries such as Ghana by improving private property rights, business investment climate, and by identifying land into which investment could be placed. The NAFSN has been assigned a prominent role in Post-Brexit 'Global Britain'-plans, especially in Africa too. However, it has been widely condemned by CSOs, the media, and even by a European Parliament inquiry (in 2015) because of labour and human

rights abuses, land grabbing, forcibly displacing local peasants (Langan, 2016:484-85), last, but not least in African Commonwealth states, such as Nigeria, Ghana, Mozambique and Tanzania. In fact, NAFSN could be considered a Trojan horse for the corporate takeover of African agriculture (Sokin, 2018)[9].

Map 2.: EU blacklisted tax havens (Credit: Boffey, 2017)


17 blacklisted territories
5 British territories/ dependencies on notice
Other territories on notice
Americas
East to west – Panama, Grenada, Trinidad and Tobago, St Lucia, Barbados
Africa and Middle East
Tunisia, Namibia, Bahrain, UAE
Asia and Pacific
Mongolia, Macau, South Korea, Palau, Guam, Marshall Islands, Samoa, American Samoa
British territories on notice
Cayman Islands, Bermuda, Isle of Man, Guernsey, Jersey
Guardian graphic | Source: European Council

Apparently, behind the 'altruistic' Post-Brexit rhetoric of the British government about assisting pro-poor growth in Africa, the fact got lost that the UK still supports a wide network of notorious tax havens in UK's overseas territories, crown dependencies, and island economies of its former empire. Tax havens links are particularly strong between colonial powers and their current and former colonies. The UK has been labelled already 'the mother of all tax havens' (Srinivasan, 2018). Indeed, pervasive offshore FDI affects wealthy economies as much as LDCs in Africa and elsewhere (Haberly et al, 2015). Offshore wealth hidden in these tax havens is likely to have major implications for the concentration of wealth not only in many of the world's industrialized countries, including Britain but also in African developing countries, including South Africa and Uganda (Alstadsæter et al, 2018). The use of tax havens in the UK increased continuously since the 1960s, as in other industrialized countries (Figure 3, Appendix). The users of tax havens, where not only British investors. Also, African politicians, dignitaries and businessmen used it to harbour illicit gains (Map 4, Appendix). British tax havens include the British Virgin- and Cayman Islands, Bermuda, Turks and Caicos Islands, Guernsey, Jersey, and the Isle of Man. Other former British

[9] NAFSN was launched in 2012 by the G8 in "partnership" with 10 African governments, the AU, private corporations, development organizations, and aid donors. African 'partnerships' involved 10 African countries: Burkina Faso, Côte d'Ivoire, Ethiopia, Ghana, Mozambique; plus Tanzania (since 2012), and Nigeria, Malawi, Benin, and Senegal (since 2013). Development partners that contributed include Belgium, Canada, the EU, France, Germany, Japan, the Netherlands, Switzerland, the UK, and the USA. On 9 February 2018, France pulled out of NAFSN, because Paris considered the approach of this initiative as too ideological, involving a real risk of land grabbing at the expense of smallholders. This decision came just a few days after revelations of political manipulation and flawed methodology, revealed by the World Bank Chief Economist Paul Romer, in January 2018. All this suggested that the NAFSN could be considered as a Trojan horse for the corporate takeover of African agriculture (Sokin, 2018).

colonies, but actual independent island states and notorious tax havens, like Barbados, Trinidad and Tobago, Grenada, St. Lucia still equally belong to the Commonwealth net. Some of them had recently been blacklisted on an EU list of 17 tax havens, others were listed among the 47 additional territories which were warned by the EU in an attempt to clamp down on the estimated £506bn lost to aggressive tax avoidance every year (Map 2, and Boffey, 2017). The British government had tried before in vain to ensure those jurisdictions would not be screened by the EU's tax experts. However, shortly afterwards, 7 countries listed, including Barbados, were again lifted from the original list of 17, under the pretence that they pledged to address the EU's concerns, a move swiftly condemned by activists (AFP-news, 23 January 2018). Therewith, London condoned at least implicitly, more or less veiled connections to human right abuses, global corruption, illicit financial flows and money laundering. Despite EU warnings, it is not to be excluded that this support will continue or even be reinforced after Brexit, just as the ongoing commitment of the British government to neo-liberal ideologies, which at least radical economists see as a representation of British post-colonialism (Price, 2018a; Biyani, 2018; Bishop & Clegg, 2018). In the meantime, however, European Council members threatened already to review whether British territories previously left off the EU tax haven blacklist should now be added. Apparently, this was a move by the EU to use this blacklist as leverage to force concessions during Brexit trade talks (Watts, 2018).

4. Increased aid for Africa?

The perspectives of future aid relationships of the UK with Africa after Brexit are closely entangled with Britain's' trade and financial policy. This applies particularly to London's focus on 'aid for trade', 'trade, not aid', and private sector development as outlined above. Although Prime Minister Theresa May reaffirmed at several occasions (2017 and 2018) its government's commitment to spend 0.7 per cent of GNI on aid[10], it is likely that Brexit could bring a decrease in UK aid to Africa for the following reasons.

Reinforced by revelations about aid scandals of Oxfam and other development NGOs, British anti-aid sentiment grew in recent years because of alleged ineffectiveness and mismanagement of aid. This the more so, because the divorce from the EU shall deprive the UK of substantial multiplier effects in relation to aid (see here and in the following, Price, 2018). In fact, the government in London itself stated already in 2013 that by the collective EU aid provisions the "reach and magnitude of EU financial instruments", which includes the European Development Fund (EDF), the EU's main instrument for providing development aid to ACP countries, "outweigh those the UK could bring to bear bilaterally". This allowed the UK to focus in times of austerity on "scarce national resources on priorities elsewhere" (UK Government, 2013, quoted in Price, 2018:3). Thus, the British government saw the EU apparently as a catalyst to enhance its own aid. This all the more so, as the EU apparently allowed the UK to offset the challenges to its own competitiveness. In 2013, the Senior European Experts Group, an informal group of former high-ranking British diplomats and civil servants who regularly publish high quality briefing and opinion papers about EU issues, stated *"that statistics about the strength of the UK economy, such as it being the seventh largest economy, 'flattered to deceive', and that by working through the EU the UK was able to maintain influence and prosperity 'in an era where the relative balance of global growth,*

[10] The UK was the first G7 country that in 2015 even enshrined its aid commitment to spend 0.7% of its gross national income (GNI) on aid every year in law (Anderson, 2015).

population and power is moving away from the UK and Europe" (UK Government, 2013; quoted in Price, 2018:3-4).

Another reason for diminishing aid could be a possible devaluation of the pound Sterling (see Map 5, Appendix) with a corresponding negative impact on the value of British aid in Africa and elsewhere. This could be aggravated by a likely fall in British GNI as a direct or indirect result of Brexit. In view of the UK's relatively poor growth forecasts that raise questions about London's ability to meet such aid commitments (Bishop & Clegg, 2018:5). All his would impact not just on the absolute amount of aid provided, but also on the propensity of the government to reallocate scarce resources to domestic spending under the pressure of populist politicians (Ansorg & Haastrup, 2016; Price, 2018).

Under these conditions, London would probably focus on hand-selected strategic partners and existing bilateral ties, particularly with individual African Commonwealth states such as South Africa, Nigeria, Kenya, and Somalia, on the expense of the poorest African LDCs (Vines, 2018:139),. In addition, it could broaden its range of bilateral partners at the expense of multilateral development cooperation of the UN[11], World Bank[12], IMF, the Global Fund to Fight AIDS, Tuberculosis and Malaria, etc. again with the likely exception of the Commonwealth and the Commonwealth family. Such a downward spiral could be aggravated by a reduction of overall EU development assistance, given the prominent role of the UK as one of the major contributors to the EU's aid budget[13] which would become obsolete with Brexit (Ansorg, & Haastrup, 2016).

5. *Enhanced security for Africa?*

The EU is up to now the main contributor to the African Peace and Security Architecture (APSA) and the African Peace Facility (APF) (Ansorg, & Haastrup, 2016). The APSA, established in 2004, marked a turning point of inner-African relations in so far as it allowed AU member states for the first time to intervene in a third African state in case of crimes against humanity, such as war crimes and genocide. It depended mainly on funding from external resources, notably of the EU and EU member states. The APF was established in 2004 as well on demand of African governments and financed by the EDF. It is the main EU-support the African Union's and African Regional Economic Communities' efforts in the area of peace and security with an overall amount of more than EUR 2,7 billion since 2004 (EC, 2018a). The Peace Fund meant to provide the necessary financial resources for the operationalisation of APSA, comprised in total $325 m in 2017. By means of this facility, Britain, that contributed just 3% bilaterally to APSA in 2014, which was far less than the German bilateral funding (12%), had been able to contribute also continentally rather than bilaterally to African peace and security initiatives, in using the multiplier effect of the EU's 75% APSA-funding also for its own interest (Nathan et al. 2017).

[11] United Nations Development Programme (UNDP), United Nations Children's Fund (UNICEF), United Nations Volunteers (UNV), World Health Organization (WHO), United Nations Environment Programme (UNEP).

[12] International Development Association (IDA)

[13] Britain was the third-largest provider of funding to the European Development Fund (EDF), behind Germany and France. It was one of the most important supporters of EU aid programs in Africa, both politically and financially. Its advocacy for industrialized countries to commit 0.7 % of their gross national income (GNI) to developing countries in accordance with a 1970s UN agreement resulted in the UK becoming the first G7 country to enshrine this in law in 2015 (Ansorg, & Haastrup, 2016).

The British government repeatedly underlined that its defence expenditure would be the largest in the EU, that it has the largest defence industry, and that it has contributed to most of the operations and missions of the EU Common Security and Defence Policy (CSDP). Within the framework of the CSDP, London had been an advocate for peacebuilding and conflict prevention, in contrast to France, which rather favoured military interventions (Ansorg & Haastrup, 2016). However, London apparently exaggerated its input deliberately in order to enhance its bargaining position for a new Post-Brexit security partnership with the EU, including defence, cybersecurity and external migration (here, and in the following, Duke, 2018:44-45). All in all, Britain provided just 2.3% of all CSDP missions, or 4.3% of those operations to which it contributed, according to data from the European University Institute (Florence, Italy)[14]. This was considerably less than France, and even Spain or Italy had supplied for civilian and military operations. Moreover, the UK did not contribute to most missions in Africa, apart from one. Instead, in nearly all of these, France assumed the lead. Only when it came to the secure the sea routes from Europe to Asia, the UK seemed to develop a greater interest. For example, the UK led the personnel contributions to a regional maritime capacity building mission for the Horn of Africa and the Western Indian Ocean (EUCAP, NESTOR). Even a former UK Ambassador to the Political and Security Committee admitted openly that the UK's CSDP contributions tended to be 'more about leadership and diplomatic support' than about troops (Duke, 2018:45). A similar tendency of disregard was to be observed with respect to UN peacekeeping missions in Sub-Saharan Africa since 2000. Apparently, other regions and operations, like the NATO-led military intervention in Libya (2011) to implement a United Nations Security Council Resolution against crimes against humanity during the Libyan civil war, or in Afghanistan and Iraq were of greater strategic relevance to the UK.

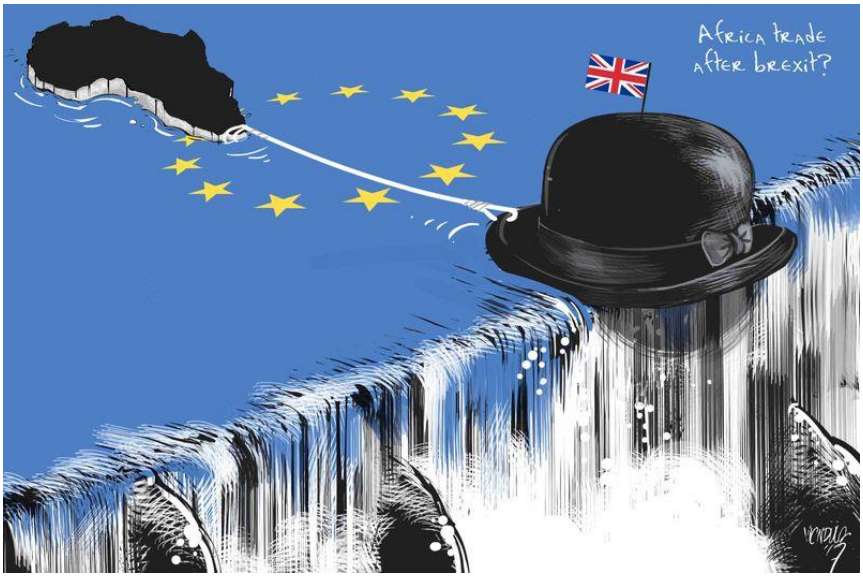
To sum it up, although the direct effect of Brexit on EU security operations in Africa will probably be rather small, it would be crucial for both the EU and the UK to find a post-Brexit agreement for the Maghreb and Sahel countries in order to stem irregular migration, organized crime and the growth of jihadist groups and terrorism (Duke, 2018:46). In this respect, the Permanent Structured Cooperation (PESCO) initiative of the EU could offer unexpected Post-Brexit opportunities. Apparently, the EU ponders to open PESCO to countries outside the EU, such as the (Post-Brexit) UK, USA, and Norway. This could offer new prospects for EU external action, especially within the framework of Europe-Africa conflict prevention and security operations (Darmuzey, 2018). This would be even more appreciated because it could prevent an identity change for the EU's security architecture and its security practices in Africa, in order to avert a Post-Brexit dominance of the French military approach (Ansorg & Haastrup, 2016).

6. A Partnership of equals or collective clientelism?

Some Brexiteers and African politicians alike hoped for golden times of a rediscovered but deeper and partner-like Post-Brexit Commonwealth relationship. The British International Trade Secretary, for example, envisaged better free trade arrangements than the existing EPAs with the EU, conceivably based on a euphoric and over-ambitious multi-expert report of the

[14] The European University Institute (EUI) in Florence, Italy, is an international research institute founded 1972 by EU member states in order to contribute to social sciences development in a European perspective. It is financed by the EU budget.

Africa All Party Parliamentary Group, financed by the Royal Africa Society, on the post-Brexit Africa-UK trade and development cooperation relations (RAS-APPG-2017). Besides, London could use the chance to co-operate with the newly created African Continental Free Trade Area (CFTA), approved by 44 African governments in Kigali in March 2018. African governments, on the other hand, could use their negotiating advantage to press for more protection of its domestic markets and infant industries (here and in the following, Westcott, 2018). This might apply in areas where British products and services do not compete with African markets. However, it is open to question whether the UK would allow for less rigid tariff-rate quotas and non-tariff barriers to trade, more flexible rules of origin or greater protection against British exports of services, even if the British industry would be affected negatively. Moreover, a more liberal attitude of Britain concerning African imports, for example, concerning quotas and non-tariff barriers, could increase the cost of future trade agreements between the UK and the EU, notably if London would have to leave the EU customs union. And although Britain is proud of its strong bilateral relations with the Commonwealth network, these relations, especially with the most important African players, South Africa, Nigeria, Ghana and Kenya, have been not without tensions, for example concerning brain-drain from the former British colonies to the UK[15]. Last, but not least, it is unlikely that new and better deals both between Britain and Africa and between the EU and Africa (as a consequence of Brexit) would come soon as both would have to concentrate first on their most important global partners and competitors (Westcott, 2018).



Brexit and Africa, Trade implications could be dire for Africa
Credit: Victor Ndula [16]

Under these conditions, a partnership of equals between the UK and Africa and a win-win situation for both sides is unlikely. Moreover, Brexit would challenge not just European integration but put at risk African regional integration efforts too (Ansorg & Haastrup, 2016;

[15] A long-standing issue of content is the brain-drain of high qualified personnel from former British colonies, such like South Africa, Nigeria and Ghana to the UK. In 2015 for example, the UK was the biggest gainer of South African skills, taking in over 18,500 skilled South Africans, according to a 2015 report by InterNations Expat Insider. (Staff, 2016). Another major issue of content with repercussions up to date was the British protection of Shell-BP investment during the Nigerian civil war 1969-70 (Uche, 2008).

[16] A detailed bio of the renowned Kenyan cartoonist *Victor Ndula*, Nairobi Kenya, together with more of his art-work is provided by Cartoon Movement.com.

Murray-Evans, 2017; Henökl, 2017:70). African regional trade is characterized by an overlap between regional organizations with competing agendas, such as ECOWAS and WAEMU, SADAC and COMESA, etc. The past EU's experiences negotiating the EPAs proved that it was an extremely difficult task to consolidate incomplete African regional projects. It is doubtful whether London would be more successful in this respect. However, if London would not take a continental approach and instead replicate the existing patchwork of EPAs and other EU trade arrangements across Africa, this would likely to add to existing barriers to intra-continental free trade (Murray-Evans 2017). The same applies to relations with the newly created all Africa CFTA initiative (Ezeani 2018).

The best available strategy for most African LDCs, notably the smaller ones, would probably be one of patronage or 'collective clientelism' (Ravenhill, 1985:3, 43; and Price 2018, who seized this concept), i.e. to make concessions of non-trade related issues, such as voting behaviour in the UN or other non-comparable assets, in exchange for better market access and protection. Thus, the governments, especially of small African states, may fall back on traditional seesaw policy they used already with success in outwitting global players in times of the cold war.

Outlook: What next ?

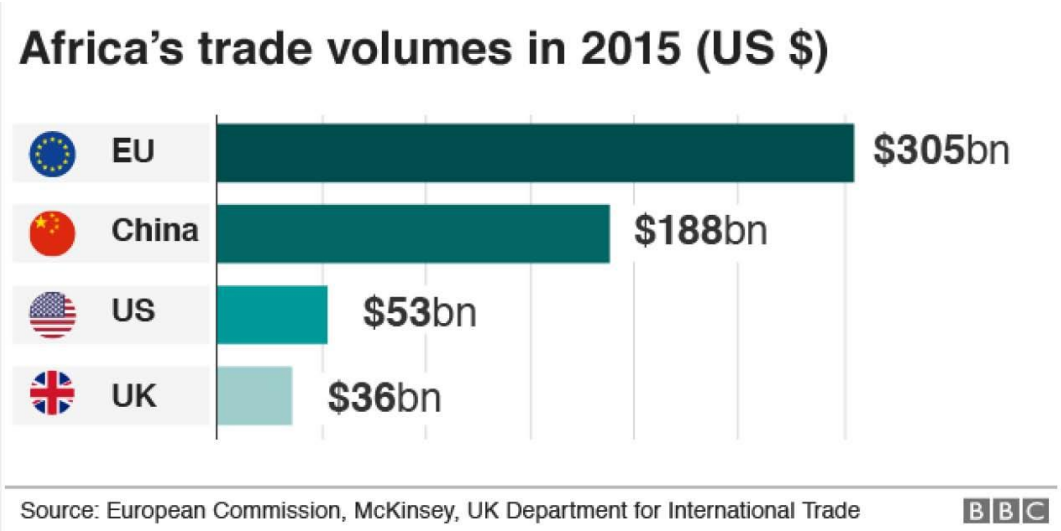
Brexit is not easy going. Unfortunately, many of those who voted for it in favour of a truly 'Global Britain', including reminiscences to the 'golden times' of the British empire, last but not least in colonial British Africa, apparently had not thought of the scope of their decision sufficiently. Many voters were lured by platitudes and scare stories. African governments will have to adapt their relations not just with London, but also with Brussels. Therefore, African governments should speed-up provisions to counteract the resulting changes (Bishop & Clegg, 2018: 9).

Brexit – Boris Johnson's self-inflicted injury
Credit: *Gado*, June 26, 2016 [17]

[17]Cartoon with an apparent allusion to the legendary British comedy group Monty Python and its heroes, the Black Knight's self-enhancement and self-destruction. - The Tanzanian cartoonist Godfrey Mwampembwa, pen name '*Gado'* "is the most syndicated political cartoonist in East and Central Africa" according to his self-portrayal.

On 28 August 2018 Prime Minister Theresa May stated her first three-day visit to Africa in order to build up new trade relations with key nations ahead of Brexit. On her tour of South Africa, Nigeria and Kenya she emphasized the enormous opportunities presented by Britain's Post-Brexit policy, allowing for a more globally acting trading nation outside the European Union. She presented ambitious plans that allegedly would deliver a major Brexit boost for British firms and investors and promised to turn Britain into a truly global nation doing business around the world in economies with massive and growing potential. On the second day of the tour, she unveiled in Abuja (Nigeria) proposals to create the first U.K.-Africa FinTech Partnership in Lagos. Britain is a leading global hub for FinTech which contributes over £5 billion to the UK economy every year and Lagos is said to be at the forefront of FinTech innovation in Africa. UK-Nigeria trade was worth £4.2 billion last year and British companies including British Airways, GSK, Shell, Diageo, Unilever and Standard Chartered have long-established operations in Nigeria. Altogether 111 African companies are already listed on the London Stock Exchange. In Lagos T. May also met leading Nigerian businessman Aliko Dangote and welcome news that he is committing to list his $10 billion cement company on the LSE. Also today, oil and gas company Seplat Petroleum is committing to list its $350 million Eurobond programme on the LSE (Little 2018).

However, all these promises might be a hard sell. In view of China's long-standing and successful Africa offensive, it is open to question what Britain could offer, what other competitors do not have already on their agenda. African leaders are in the comfortable position to choose: enhanced co-operation with China, the huge European Union bloc, the potential riches of the United States, or the historically-linked United Kingdom. Most probably the Africans will play one partner off against the other, choosing the best for their clientele. Thereby, they will be well aware of the relative importance of each trading partner, which would not necessarily act in favour of the UK in view of the strong bargaining position of major competitors: In 2015, total trade (imports and exports combined) between Africa and the UK amounted to $36bn (£28bn), but for the EU as a whole EU-Africa trade amounted to the tenfold ($305bn) and for China $188bn (Madowo 2018).



Source: Madowo 2018

But time is running out. London is only now introducing legislation meant to ensure that African businesses will access the UK market on the same terms as they do now under the diverse trading regimes (EPAs, etc.). Last, but not least, concerning the issue of immigration

of migrants from Africa and elsewhere into the UK, which after all triggered the Brexit vote, the

The Brexiteers, like Boris Johnson, should bear in mind history's lesson that the ideology of right-wing liberalism along the lines that 'what's good for business is good for everyone' is just as likely doomed to fail as leftist social paternalism concerning immigration (Collier, 2018). The story of the 'betrayal' of the Commonwealth by the precipitated EU-entry of the UK, often used by Brexiteers, is a myth (Murray-Evans, 2016). It only serves to impress both the clientele of the overwhelmingly disenchanted British poor who voted for Brexit as well as governments of African Commonwealth nations.

Apparently, the 900.000 Commonwealth residents living in the UK, who were allowed to vote on Brexit, knew it better. According to Lord Ashcroft Polls figures, 73% of black voters were the largest demographic group in support of 'remaining', while 67% of Asian voters voted to remain. In contrast, just 47% of white voters backed 'Remain' (Namusoke, 2016). Apparently, the latter had first and foremost in mind the 'old' or 'white' Commonwealth', i.e. Britain, embracing, Australia, New Zealand, and Canada, when they voted to make Britain great again. For the rest of non-white Commonwealth countries they apparently wanted to reinforce the racial hierarchies of the British colonial empire. At least, this was suggested by the British racism and xenophobia that triggered the Brexit vote (Namusoke, 2016: 471-472).

Finally, the Brexit and its spread-effects could also impact negatively on acquired human rights, both in Europe and in Africa. The withdrawal in general will have widely disregard implications for hitherto shared ethics. In fact, the Brexit constitutes a retrograde step in promoting a political and socio-cultural climate which could in the worst case become similar to that of Apartheid South Africa. This includes the pursuit of ultranationalist goals and compromising on established human rights, for example with respect to growing inequality and the crusade against infidels and outsiders, as has been rightly observed by Mervyn Frost (2019).

On the contrary, rebuilding economic incentives around mutual interests and reciprocity, within the framework of a humane form of globalisation, would be one of the big themes of future Post-Brexit relations between Britain, the EU and Africa (Collier, 2018; Baldwin et al, 2017). In this respect, all sides concerned should heed the advice of Sangu Delle quoted right at the beginning: "we have to make sure that the economic systems we put in place don't just create economic growth, but create shared economic prosperity", which should be the Leitmotiv of future Brexit negotiations.

References:

Anderson, Mark (2015): UK passes bill to honour pledge of 0.7% foreign aid target. London: *The Guardian*, 9 March 2015

Ansorg, Nadine & Toni Haastrup (2016): Brexit Beyond the UK's Borders: What It Means for Africa. Hamburg: *GIGA Focus | Africa*, No. 3, September 2016

Alstadsæter, Annette & Niels Johannesen & Gabriel Zucmanc (2018): Who owns the wealth in tax havens? Macro evidence and implications for global inequality. *Journal of Public Economics*, 162 (2018): 89-100

Baldwin, Richard & Paul Collier & Anthony Venables (2017): Post-Brexit trade and development policy. London: International Growth Centre (IGC), *Policy Note*, March 2017

Bellamy, Richard (2018): Was the Brexit referendum legitimate, and would a second one be so? *European Political Science*, online, 13 April 2018

Biyani, Neeti (2018): Teuerparadies: Wie illegale Finanzströme und Steueroasen die Entwicklung des Globalen Südens verhindern [Expensive paradise: How illegal financial flows and tax havens prevent the development of the Global South]. *ipg-journal*, 6 August 2018

Bilal, San (2016): Brexit will impact on EU trade agreements and future relations with ACP, European think tank. Brussels: ECDPM

Bilal, San & Sean Woolfrey (2018): How 'to trade or not to trade' is the question for third countries after Brexit. *Thematic focus: Beyond Brexit*. Brussels: *Great Insights, ECDPM, 7 (2018) 3: 33 – 35*

Bishop, Matthew L. & Peter Clegg (2018): Brexit: Challenges and Opportunities for Small Countries and Territories. *The Round Table - The Commonwealth Journal of International Affairs*, vol. 107 (2018) 3: 1-11

Boffey, Daniel (2017): EU blacklist names 17 tax havens and puts Caymans and Jersey on notice. *The Guardian* (UK), 5 December 2017

Boffey, Daniel (2017a): Frustrated EU fears Britain is 'heading for the Brexit rocks'. London: *The Guardian*, 16 Sept. 2017

Campbell, Keith (2017): May unveils British initiatives aimed at reducing Africa's reliance on aid. Creamer Media's Engineering News. Bedfordview, South Africa, 21st July 2017

CFTA: Africa positions for "the world's largest free trade area". What are the implications? *African Business Magazine*, 19 March 2018

Collier, Paul (2018): Meeting the migration challenge and reforming capitalism through mutual solidarity. *Social Europe*, online, 25 July 2018

Curtis, Mark (2016): The New Colonialism: Britain's Scramble for Africa's Energy and Mineral Resources. London: *War on Want*

CwA (2018): Compact with Africa. G20 Compact With Africa website maintained by the International Monetary Fund (IMF), Washington, D.C.

Darmuzey, Philippe. (2018): *Africa, Europe and Britain after Brexit*. *Thematic focus: Beyond Brexit*. *Great Insights, (2018) 3: 5- 7*

DFID (2017): Economic Development Strategy: prosperity, poverty and meeting global challenges. London: Department for International Development, 31 January 2017

Duke, Simon (2018): High stakes: Brexit, security, and defence. *Great Insights, (2018) 3:* 44-46

EC (2018): Overview of Economic Partnership Agreements (EPAs) – updated. Brussels: European Commission, June 2018

EC (2018a): African Peace Facility. Brussels: European Commission, August 2018

Eng, Karen Frances & Delle, Sangu (2018): Entrepreneurship - After Brexit. Now is the time to invest in Africa. Interview with Sangu Delle. Medium corporation (US): TED Fellows

Ezeani, Elimma (2018): Comparative advantage in de-globalisation: Brexit, America First and Africa's Continental Free Trade Area. *Journal of International Trade Law and Policy*, 17 (2018) ½: 46-61

Frost, Mervyn (2019): The Ethics of Brexit. In: Albert, M. & A. F. Lang (eds.): The Politics of International Political Theory. London: Springer, pp. 181-198

Gutteridge, Nick (2016): Africa waits for UK's Brexit. London: Black Economics, Sept.22, 2016

Haberly, Daniel & Dariusz Wójcik (2015): Tax havens and the production of offshore FDI: an empirical analysis. *Journal of Economic Geography*, 15 (2015) 1: 75–101

Hardie, Michael (2016): The UK's trade and investment relationship with Africa: 2016. Recent changes in the UK's trade and investment relationship with Africa. London: Office of National Statistics

Gamble, Andrew (2018): Taking back control: the political implications of Brexit. *Journal of European Public Policy*. 25 (2018) 8: 1215-1232

Henökl, Thomas (2017): How Brexit affects EU external action: The UK's legacy in European international cooperation. *Futures*, 97 (2018): 63-67

Hopfmann, Arndt (2018): Development Aid for Investors: Germany's new Africa Policy. Review of African Political Economy, ROAPE-blog, 28.06.2018

Kabemba, Claude (2014): Undermining Africa's Wealth. A critique of the British government's and British extractive companies' role in Africa from the colonial era to the current scramble for the continent's resources. Rosebank, South Africa: *Open Society Initiative for Southern Africa*

Kennes, Walter (2018): How Brexit may affect ACP-EU relations: a historical perspective. Ecdpm Discussion Paper, No. 220

Kettle, Martin (2018): Will a second referendum be just another Brexit fantasy? London: *The Guardian*, 15 August 2018

Kohnert, Dirk (2015): Horse Trading on EU-African Economic Partnership Agreements. *Review of African Political Economy*, 41 (2015) 143: 141-147

Kohnert, Dirk (2005): Monetary Unions - Dominated by the North? The CFA-Zone and the CMA. In: Fritz, Barbara / Metzger, Martina (eds.)(2005): *New Issues in Regional Monetary Coordination* -

Understanding North-South and South-South Arrangements, Palgrave Macmillan, Houndmills, Basingstoke, Hampshire, pp. 177-187

Langan, Mark (2016): Brexit and Trade Ties between Europe and Commonwealth States in Sub-Saharan Africa: Opportunities for Pro-poor Growth or a Further Entrenchment of North–South Inequalities?, *The Round Table, The Commonwealth Journal of International Affairs*, 105:5, 477-487

Lay, Jann (2017): The G20 Compact with Africa: An Incomplete Initiative. GIGA Focus Africa, No. 2, 2017, Hamburg: GIGA, June 2017

Ligami, Christabel (2016): Tanzania demands study on impact of EU trade deal. *The East African*, February 23, 2017

Little, Alison (2018), May forges African alliance as London prepares for deeper ties with Nigeria after Brexit. London: Express (Daily and Sunday Express, newspaper), August 29, 2018.

Madowo, Larry (2018), May in Africa: UK prime minister's mission to woo continent after Brexit, in: BBC-news, 28 August 2018.

Murray-Evans, Peg (2016): Myths of Commonwealth Betrayal: UK–Africa Trade Before and After Brexit. The Round Table - The Commonwealth Journal of International Affairs, 105 (2016) 5: 489-498

Murray-Evans, Peg (2017): How Brexit could harm African economies that trade with the UK and disrupt regional integration. London: British Politics and Policy at LSE

Namusoke, Eva (2016): A Divided Family: Race, the Commonwealth and Brexit. *The Round Table - The Commonwealth Journal of International Affairs,* 105:5, 463-476

Nathan, Laurie et al., African Peace and Security Architecture (APSA) 2014 Assessment Study, Final Report, London, 16 April 2015.

OECD (2017): Aid for Trade at a Glance 2017. Promoting Trade, Inclusiveness and Connectivity for Sustainable Development. Paris: OECD

Olingo, Allen (2018): Carlos Lopes to lead African Union-EU trade talks. *The East African*, July 7 2018

Price, Sophia (2018): Brexit and the UK-Africa Caribbean and Pacific aid relationship. *Global Policy*, Wiley Online Library, 18 April 2018

Price, Sophia (2018a): Securing Financial Markets: UK-Africa Relations after Brexit. *Review of African Political Economy*, ROAPE-blog, 4 May 2018

RAS-APPG (2017): The Future of Africa-UK Trade and Development Cooperation Relations in the Transitional and Post Brexit Period. London: Africa All Party Parliamentary Group & Royal African Society,

Ravenhill, John (1985): Collective clientelism - The Lomé conventions and North-South relations. New York: Columbia Univ. Press

Reisen, Helmut (2017): The G20 'Compact with Africa' is not for Africa's poor: The Finance Framework. Stellenbosch, South Africa: Trade Law Centre (*tralac*), June 8, 2017

UK Government (2013): Review of the balance of competences between the United Kingdom and the European Union. London: Foreign Policy [online]

Sherriff, Andrew & Emmanuel de Groof (2018): The Brexit Box. *ECDPM (2018). Thematic focus: Beyond Brexit. ECDPM. Great Insights,* 7 (2018) 3: 4

Sokin, Flora (2018): Two Blows in a Row: The New Alliance for Food Security Loses Ground. Oakland (USA): Oakland Institute, Thursday, April 12, 2018

Srinivasan, Kannan (2018): Black money and the UK: the Mother of all tax havens. WP. *academia.edu*, New York: Wertheim Study

Staff Writer (2016): This map shows where all South Africa's skilled workers are going. *BusinessTech*, South Africa

Stone, Jon (2017): Theresa May to use Commonwealth meeting months before Brexit to push closer trade ties. London: *The Independent*, 13 March 2017

Uche, Chibuike (2008): Oil, British interests and the Nigerian civil war. *J. of African History*, 49 (2008): 111-135

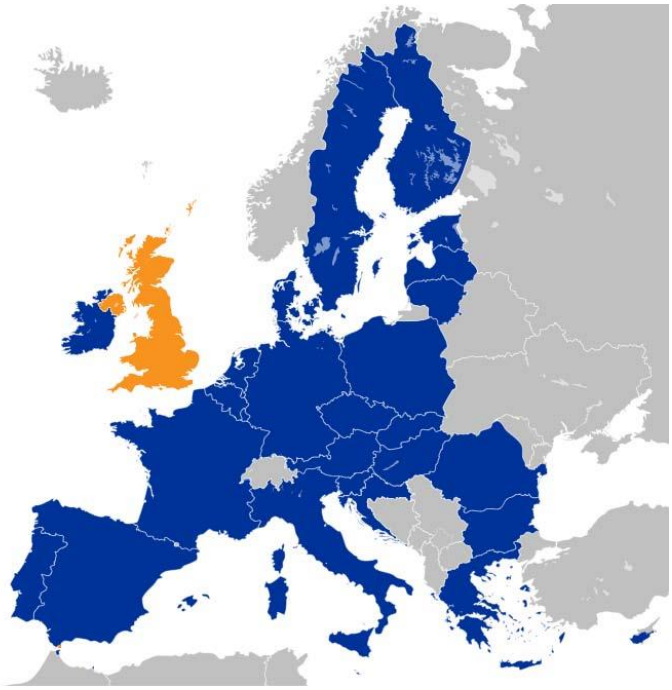
Vines A. (2018) To Brexit and Beyond: Africa and the United Kingdom. In: Nagar D., Mutasa C. (eds) Africa and the World. London: Palgrave Macmillan, Cham, 2018: 119-142

Watts, Joe (2018): Brexit talks latest: EU to target UK tax haven territories as trade negotiations begin. London: *The Independent*, 13 January 2018

Westcott, Nicholas (2018): Breaking away? The developing world and the future of multilateralism. *Africa, Europe and Britain after Brexit. Thematic focus: Beyond Brexit. Great Insights, 7 (2018).3: 11 – 13*

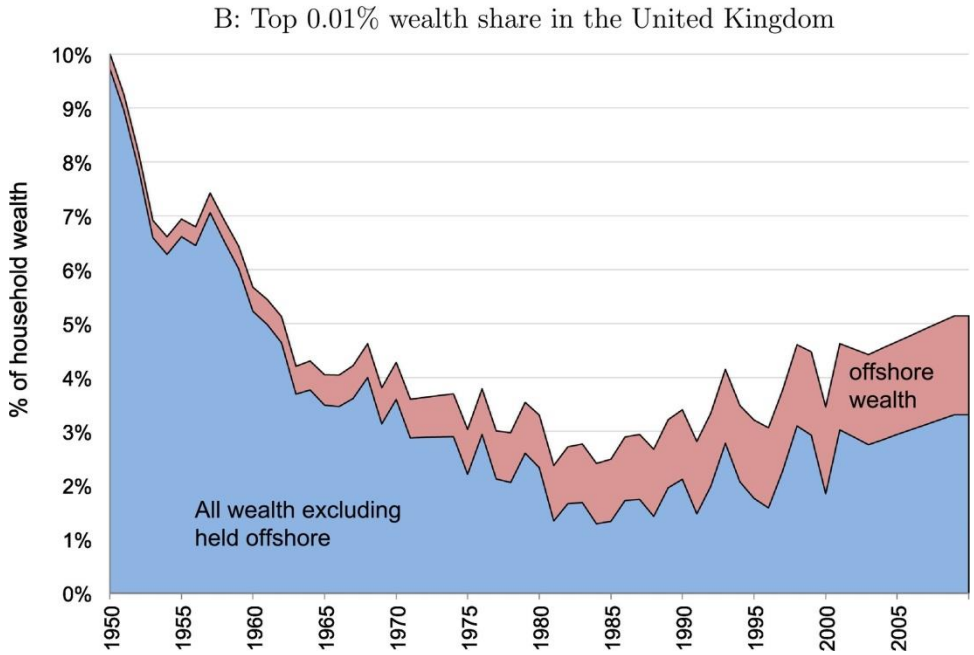
Annexe:

Map 3: GB and the other EU member states, 2018

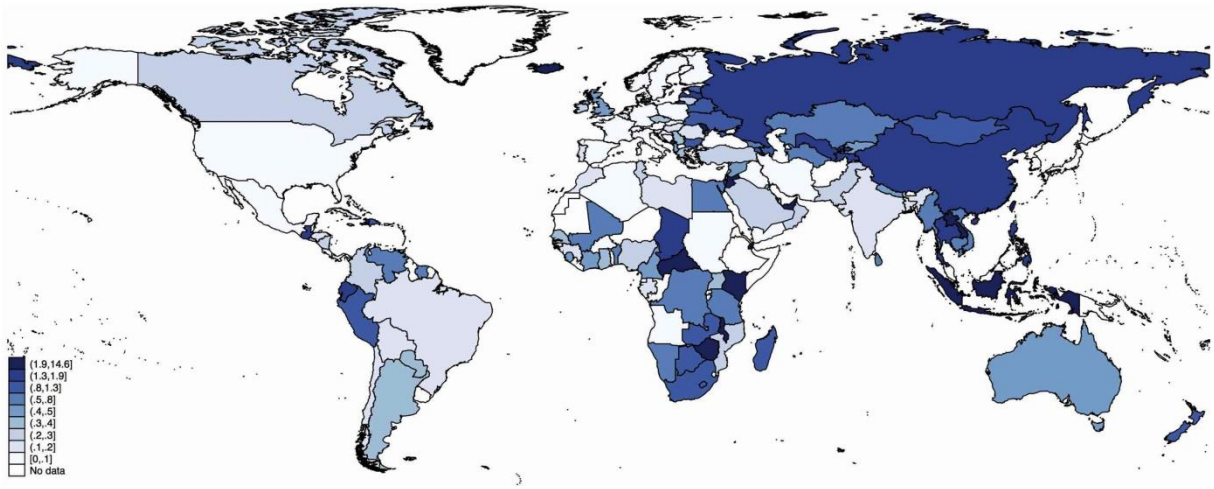


Credit: Furfur, EU Single Market, Wikimedia

Figure 3: The use of tax havens in the UK - share of wealth held by the top 0.01% since 1950 (Source: Alstadsæter et al, 2018)

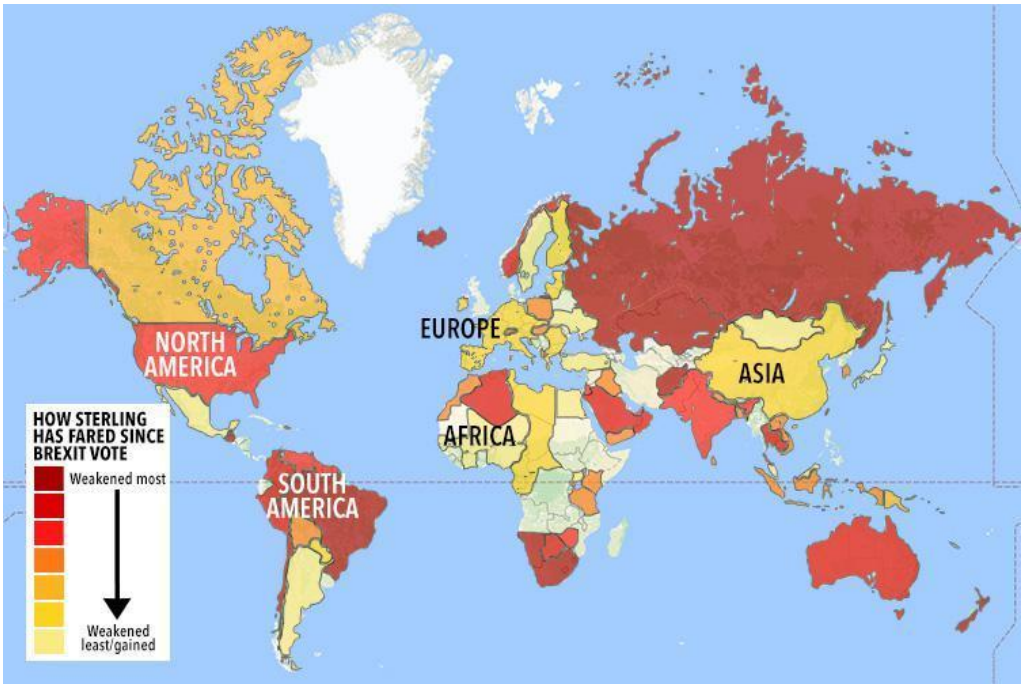


Map 4: Indicator of use of illicit use of wealth - Propensity to own "Panama Papers" shell companies (Alstadsæter et al, 2018)



Notes: "*This map depicts the number of unique owners of shell companies created by the Panamanian firm Mossack-Fonseca, normalized by 2007 GDP in billion current US$. The sample includes all the owners of shell companies created by Mossack-Fonseca before 2006 and active in 2007. … Note that an owner of a shell company can be another shell company, hence the addresses of registered owners do not always reflect the country of residence of the ultimate owners. To deal with this issue, we exclude owners who own more than 10 different shell companies and owners with addresses in tax havens, both of which are likely to be nominees (such as other shell companies) instead of actual persons*." Source: ICIJ (https://panamapapers.icij.org ; Alstadsæter et al, 2018

Map 5: Where the £ Sterling is more (and less) since Brexit (February 2017)



In February 2017, the pound was e. g worth much less in South Africa, Brazil and Russia, but more in Turkey and Egypt. Credit: The Sun (UK), Caroline McGuire, 23rd February 2017